



The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 96% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

HB 7027 “An Act Concerning the State Budget for the Biennium Ending June Thirtieth 2019, and Making Appropriations Therefor”

CCM recognizes the severe conditions of the state's finances. Persistent budget deficits over the last few years have resulted in a reduction of state funding and services. Local governments have not been immune from this reality and we continue to make difficult decisions to address budget shortfalls, often due to the reduction of state aid.

CCM has long advocated for fully-funding PILOT for both state owned property and for colleges and hospitals. In recent years, state reimbursement for private colleges and hospitals has totaled only 30% of the tax that would be due had these properties been fully taxable.

CCM is also encouraging the legislature to reinstate and invest in the manufacturing machinery and equipment (MME) grant. While we understand that it has been folded into municipal revenue sharing, we are concerned that the \$60 million Grants for Municipal Projects line item, which helped towns with a heavy manufacturing presence, is slated to be eliminated. This is an important grant so that residential and other businesses are not forced to shoulder a heavier burden of this mandated property tax exemption.

There is still growing concern regarding the instability of the motor vehicle property tax grant. We encourage the legislature to make towns whole dollar for dollar. In particular CCM encourages the legislature to update the grand list year from 2015, and keep the cap at 37 mills. This will provide stability and predictability for all municipalities

While we do not support all the proposals of the Governor's budget, CCM welcomes the dialogue that we hope will continue in the coming months. One thing that is clear is that this proposals only reinforce the urgency to address the structural changes needed to give municipalities new tools for revenue diversification, shared services and cost containment to keep in line with the overwhelming number of other states.

The CCM has identified long-needed opportunities for revenue diversification to help relieve the burden on property taxpayers through our report, **“This Report is Different - Securing the Future: Service Sharing and Revenue Diversification for Connecticut Municipalities.”**

Communities must be given the flexibility to use alternative revenue sources to meet pressing financial needs and/or grant property tax relief. They need policy changes that would result in greater revenue flexibility at the local level and generally less reliance on state aid. Also, removing the impediments to sharing services and amending municipal labor laws will go a long way towards realizing our goals.

CCM would like to be partners to the long-term solutions the Governor and the Legislature envisions.



If you have any questions, please contact Joe Delong (jdelong@ccm-ct.org), Brian O'Connor (boconnor@ccm-ct.org), George Rafael (grafael@ccm-ct.org) or Mike Muszynski (mmuszynski@ccm-ct.org) of CCM (203) 498 – 3000.